



CHICK-FIL-A GROUND LEASE

HICKORY, NORTH CAROLINA

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$2,466,000 | 3.65% CAP RATE

- » 20-Year Absolute NNN Ground Lease (15 Years Remain)
- » Hard-Corner Location in Densely Populated and Growing North Carolina Submarket
 - » Located at the Signalized Four-Way Intersection of 2nd Street Northeast and 13th Avenue Northeast (31,600 AADT)
 - » 71,412 Residents Within a Five-Mile Radius of the Site
- » Central Location Near Large Schools, Employers, and Community Hubs
 - » Within Walking Distance of Lenoir-Rhyne University (2,303 Students)
 - » One Mile From Frye Regional Medical Center (355 Beds, 1,454 Employees)
- » High-Quality Construction Featuring Dual-Lane Drive-Thru

ACTUAL SITE

TABLE OF CONTENTS



INVESTMENT SUMMARY

AERIALS

SITE PLAN

TENANT SUMMARY

PROPERTY OVERVIEW

AREA OVERVIEW

DEMOGRAPHIC PROFILE

Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

LEAD BROKERS

MICHAEL T. YURAS, CCIM

Executive Managing Director

415.481.0788

michael.yuras@cushwake.com

CA RE License #01823291

SCOTT CROWLE

Managing Director

415.604.4288

scott.crowle@cushwake.com

CA RE License #01318288

VINCENT AICALE

Executive Director

415.690.5522

vince.aicale@cushwake.com

CA RE License #01728696

RYAN FORSYTH

Executive Director

415.413.3005

ryan.forsyth@cushwake.com

CA RE License #01716551

**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	1239 2nd Street Northeast, Hickory, North Carolina		
PRICE	\$2,466,000		
CAP RATE	3.65%		
NOI	\$90,000		
TERM	20 years		
RENT COMMENCEMENT	August 12, 2015		
LEASE EXPIRATION	August 31, 2035		
RENTAL INCREASES	10% rental increases in option periods		
	YEAR	RENT	RETURN
	1-10	\$90,000	3.65%
	11-15	\$99,000	4.02%
	16-20	\$108,900	4.42%
	21-25 (option 1)	\$119,790	4.86%
	26-30 (option 2)	\$131,769	5.34%
	31-35 (option 3)	\$144,946	5.88%
	36-40 (option 4)	\$159,440	6.47%
	41-45 (option 5)	\$175,385	7.11%
	46-50 (option 6)	\$192,923	7.82%
	51-55 (option 7)	\$212,215	8.61%
	56-60 (option 8)	\$233,437	9.47%
	61-65 (option 9)	\$256,781	10.41%
YEAR BUILT	2015		
BUILDING SF	4,423 SF		
PARCEL SIZE	TBD		
LEASE TYPE	Absolute NNN ground lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		



LONG-TERM ABSOLUTE NNN GROUND LEASE

- » Chick-fil-A is the largest chicken chain and the third largest American fast food restaurant chain
- » 10% fixed rental increases, providing a hedge against inflation
- » No landlord management, making this an ideal opportunity for an out-of-area investor

HARD-CORNER LOCATION IN DENSELY POPULATED AND GROWING NORTH CAROLINA SUBMARKET

- » Hard-corner location at the signalized four-way intersection of 2nd Street Northeast and 13th Avenue Northeast (31,600 AADT)
- » Convenient access to Tate Boulevard (22,000 AADT), increasing commuter traffic to the location
- » 71,412 residents living within a five-mile radius of the location, providing a large customer base for the site
- » Projected average annual household income increase of 10 percent within five miles of the site in the next five years, poising Chick-fil-A and Hickory for concurrent growth
- » Surrounded by residential neighborhoods (eight apartment complexes within a one-mile radius)

CENTRAL LOCATION NEAR LARGE SCHOOLS, EMPLOYERS, AND COMMUNITY HUBS

- » Surrounded by several national retailers, including Lowe's Home Improvement, Starbucks, Wendy's, Dunkin', Jimmy John's, Domino's Pizza, Panera Bread, and many more, promoting crossover shopping to the location
- » Across the street from Hickory High School (1,036 students), significantly improving lunchtime traffic
- » Within walking distance of Lenoir-Rhyne University (2,303 students)
- » One mile from Frye Regional Medical Center (355 beds, 1,454 employees)
- » Beneficial proximity to popular recreational areas and community hubs, including Hampton Heights Golf Club, Glenn C. Hilton Jr. Memorial Park, and Lake Hickory

HIGH-QUALITY CONSTRUCTION

- » Features dual-lane drive-thru
- » All brick façade



LAKE HICKORY

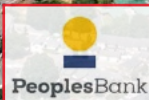
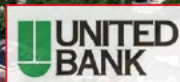
Hickory Village Center



DOLLAR GENERAL



Northgate Plaza



13th Avenue Northeast
(4,600 AADT)



2nd Street Northeast
(27,000 AADT)



Viewmont Carwash

Gas Station

Gas Station

Hickory High School
(1,036 students)





1st Ave/Trade Alley Retail

Hickory Community Theatre, Linky's Furniture, Larry's Music & Sound, Aqua B, Hickory Farmer's Market, Olde Hickory Tap Room, Splentique, Hickory Cafe & Arcade, Lou Lou's Corner, Hatch Sandwich Bar, Crescent Moon Cafe, Carolina Movie Theatre

INDUSTRIAL REGION

INDUSTRIAL REGION

INDUSTRIAL REGION

Tate Boulevard
(22,000 AADT)

FRYE REGIONAL
MEDICAL CENTER

A Duke LifePoint Hospital

(355 beds and 1,560 employees)

University Christian High School
(115 students)

Hickory
Museum
of Art

Hickory Career & Arts
Magnet High School
(153 students)



2nd Street Northeast
(27,000 AADT)



Viewmont
Carwash
Gas
Stations



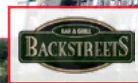
LENOIR-RHYNE
UNIVERSITY
(2,303 students)



Hickory High School
(1,036 students)



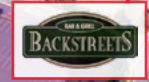
13th Avenue Northeast
(4,600 AADT)





HICKORY REGIONAL AIRPORT

INDUSTRIAL REGION



Gas Stations

Gas Stations



2nd Street Northeast
(27,000 AADT)

13th Avenue Northeast
(4,600 AADT)

Hickory High School
(1,036 students)





Hampton Heights Golf Club
(18-hole, par 71 course)

Highland
Recreation
Center

**LENOIR-RHYNE
UNIVERSITY**
(2,303 students)

Hickory High School
(1,036 students)

13th Avenue Northeast
(4,600 AADT)

2nd Street Northeast
(27,000 AADT)



Viewmont
Carwash

Gas
Station

Gas
Station

Viewmont
Carwash



Hickory High School
(1,036 students)



Gas Station



2nd Street Northeast
(27,000 AADT)



13th Avenue Northeast
(4,600 AADT)



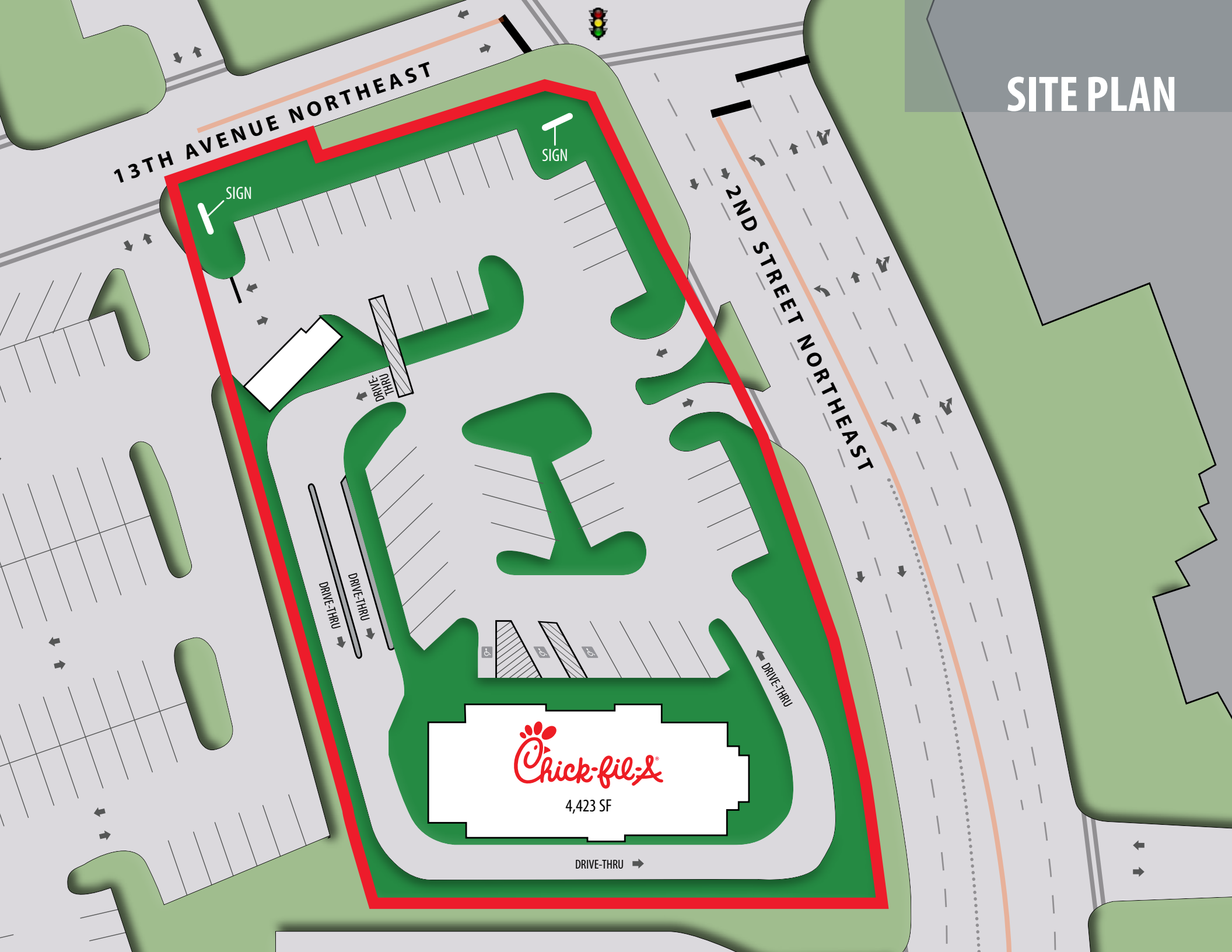


2nd Street Northeast
(27,000 AADT)

13th Avenue Northeast
(4,600 AADT)



SITE PLAN



TENANT SUMMARY



Atlanta-based Chick-fil-A, Inc. is a family owned and privately held restaurant company founded in 1967. Known for its original chicken sandwich, Chick-fil-A serves freshly prepared food in more than 2,300 restaurants in 47 U.S. states and Washington, D.C. As of 2019, Chick-fil-A is the largest chicken chain and the third largest American fast food restaurant chain.

Chick-fil-A reported more than \$10.5 billion in revenue in 2018, which marks 51 consecutive years of sales growth. A leader in customer service satisfaction, consumers ranked Chick-fil-A fourth out of 100 in 2018 in Harris Poll's annual corporate reputation survey. Chick-fil-A was also recognized for customer experience again in the 2018 Temkin Experience Ratings survey, was named "Best Franchise Brand" in 2018 by Airport Revenue News, and was named one of the top 100 best places to work by Glassdoor in 2018.

For more information, please visit www.chick-fil-a.com.

# OF LOCATIONS	2,300+	OWNERSHIP	Private
REVENUE	\$10.5B	HEADQUARTERS	Atlanta, GA

LEASE ABSTRACT

TENANT	Chick-fil-A, Inc.		
ADDRESS	1239 2nd Street Northeast, Hickory, North Carolina 28601		
RENT COMMENCEMENT	August 12, 2015		
LEASE EXPIRATION	August 31, 2035		
RENEWAL OPTIONS	Nine (9) five (5) year options		
RENTAL INCREASES	YEAR 1-10 11-15 16-20 21-25 (option 1) 26-30 (option 2) 31-35 (option 3) 36-40 (option 4) 41-45 (option 5) 46-50 (option 6) 51-55 (option 7) 56-60 (option 8) 61-65 (option 9)	RENT \$90,000 \$99,000 \$108,900 \$119,790 \$131,769 \$144,946 \$159,440 \$175,385 \$192,923 \$212,215 \$233,437 \$256,781	RETURN 3.65% 4.02% 4.42% 4.86% 5.34% 5.88% 6.47% 7.11% 7.82% 8.61% 9.47% 10.41%
REAL ESTATE TAXES	Tenant shall pay for all real estate taxes.		
INSURANCE	Tenant is responsible for all insurance costs.		
REPAIR & MAINTENANCE	Tenant is responsible for all maintenance costs.		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	None		

PROPERTY OVERVIEW

LOCATION

The property has a hard-corner location at the signalized four-way intersection of 2nd Street Northeast and 13th Avenue Northeast, which experiences 31,600 vehicles per day at the intersection. The site also maintains convenient access to Tate Boulevard (22,000 AADT), increasing commuter traffic to the location. The property benefits from its location in a populous and growing area, with 71,412 residents living within a five-mile radius of the site. The property is primed to grow along with the surrounding area, with a projected average annual household income increase of 10 percent within five miles of the site in the next five years. Eight apartment complexes reside within one mile of the location to accomodate a rapidly growing population.

The location also benefits from its proximity near large schools, employers, and community hubs. The property is surrounded by several national retailers, including Lowe's Home Improvement, Starbucks, Wendy's, Dunkin', Jimmy John's, Domino's Pizza, Panera Bread, and many more, promoting crossover shopping to the location. The site is also across the street from Hickory High School (1,036 students), significantly improving lunchtime traffic. The site greatly benefits from being within walking distance of Lenoir-Rhyne University (2,303 students) and experiences increased visibility from its location one mile from Frye Regional Medical Center (355 beds, 1,454 employees). Additionally, the property maintains a beneficial proximity to popular recreational areas and community hubs, including Hampton Heights Golf Club, Glenn C. Hilton Jr. Memorial Park, and Lake Hickory.

ACCESS

Access from 2nd Street Northeast and 13th Avenue Northeast

TRAFFIC COUNTS

2nd Street Northeast:	27,000 AADT
13th Avenue Northeast	4,600 AADT
Tate Boulevard:	22,000 AADT

PARKING

47 parking stalls, including two (3) handicap stalls

YEAR BUILT

2015

NEAREST AIRPORT

Charlotte Douglas International Airport (CLT | 50 miles)



47

PARKING
STALLS



2015

YEAR BUILT



31K

TRAFFIC
COUNT (AADT)



NEAREST
AIRPORT

CHARLOTTE
DOUGLAS
INTERNATIONAL
AIRPORT

AREA OVERVIEW

Hickory is a city located primarily in Catawba County, North Carolina, with parts in adjoining Burke and Caldwell counties. The city's population was estimated in 2019 to be 41,171, with a population of over 366,500 within the Hickory-Lenoir-Morganton Metropolitan Statistical Area (MSA). The area surrounding Hickory is home to many leading manufacturers of furniture, fiber optic cable, and pressure sensitive tape. The Hickory market is also part of the data center corridor. The area is home to large data centers operated by Google and Apple, including Apple's billion dollar data center campus, which is one of the largest data centers in the world.

Catawba County, with a population of nearly 160,000 people, is located just east of North Carolina's Ridge Mountains. It is the 18th largest county in the state and is ranked in 16th for the highest tourism revenue in the state, with visitors spending over \$252 million a year in the county. Job gains have been a result of significant manufacturing and high-tech expansion projects, both privately funded and in partnership with the public sector. The county is a retail magnet for the region, capturing 60.3 percent of the \$3.5 billion in retail sales from the four-county MSA.

- » 40 percent of the world's fiber optic cable is made in the Hickory area.
- » Hickory is the retail hub of the foothills and Unifour region, and is home to the largest shopping mall in the region, Valley Hills Mall.
- » The Hickory metro area has been named the 10th best place to live and raise a family in the United States by Reader's Digest and the Hickory MSA has been named the third best MSA in the country for business cost by *Forbes*.
- » Hickory spans approximately 30 square miles and resides at the prime juncture of Interstate 40 and U.S. Highway 321, making it an excellent location for industrial, retail, and residential development.
- » The Hickory Furniture Mart, which is Catawba County's most visited attraction, welcomes more than 500,000 shoppers per year.

MAJOR EMPLOYERS IN CATAWBA COUNTY

OF EMPLOYEES

CATAWBA COUNTY SCHOOL SYSTEMS	1,960
-------------------------------	-------

CATAWBA VALLEY MEDICAL CENTER	1,949
-------------------------------	-------

COMMSCOPE, INC.	1,609
-----------------	-------

FREY REGIONAL MEDICAL CENTER	1,560
------------------------------	-------

HSM SOLUTIONS	1,480
---------------	-------

CORNING CABLE SYSTEMS	1,200
-----------------------	-------

CATAWBA COUNTY GOVERNMENT	1,097
---------------------------	-------

GKN DRIVELINE	1,097
---------------	-------

PIERRE FOODS	827
--------------	-----

SHERRILL FURNITURE COMPANY	785
----------------------------	-----



DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
Population	7,692	41,220	71,412
Households	3,213	17,356	29,119
Families	1,680	10,198	18,494
Average Household Size	2.18	2.29	2.40
Owner Occupied Housing Units	1,408	9,279	17,881
Renter Occupied Housing Units	1,806	8,077	11,238
Median Age	36.8	40.5	41.0
Average Household Income	\$72,533	\$70,176	\$68,892

2025 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	7,779	42,310	72,989
Households	3,264	17,847	29,816
Families	1,699	10,438	18,847
Average Household Size	2.18	2.29	2.39
Owner Occupied Housing Units	1,429	9,576	18,356
Renter Occupied Housing Units	1,835	8,271	11,460
Median Age	37.0	40.9	41.7
Average Household Income	\$78,025	\$76,172	\$75,475



**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team



LEAD BROKERS

MICHAEL T. YURAS, CCIM
Executive Managing Director
415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

SCOTT CROWLE
Managing Director
415.604.4288
scott.crowle@cushwake.com
CA RE License #01318288

VINCENT AICALE
Executive Director
415.690.5522
vince.aicale@cushwake.com
CA RE License #01728696

RYAN FORSYTH
Executive Director
415.413.3005
ryan.forsyth@cushwake.com
CA RE License #01716551

www.YAFteam.com

Cushman and Wakefield Inc. LIC. # 00616335